

Aviation-Related Legislation in the California Legislature

1. **AB 37 (Strickland): “Sales and Use Taxes: Exemptions: Gasoline and Diesel Fuel”:** Existing law imposes a sales tax on automotive gasoline and diesel fuel. This bill would exempt those fuels from the sales and use taxes, but would require the State to reimburse local governments for local revenues lost from the exemption to the sales and use taxes (up to the 3½% portion of the sales tax rate). The bill was “held under submission” in 2001 in the Assembly Committee on Revenue and Taxation, due to budget considerations.
2. **AB 243 (Runner): “Aircraft Jet Fuel Tax: Exemption”:** Existing law imposes a sales and use tax on aircraft jet fuel, which generates revenue for State and local general, public safety, and transportation funds. This bill would exempt aircraft jet fuel sold to an air common carrier of property or persons at an airport in an enterprise zone from the sales and use tax. AB 243 would exempt aircraft jet fuel from the State General Fund portion of the sales tax (currently 4 ¾ %), but would retain the local sales and use taxes imposed on jet fuel (up to 3 ½ %). AB 243 was “held under submission” in 2001 in the Assembly Committee on Revenue and Taxation, due to budget considerations.
3. **AB 1001 (Longville): “Space Industry”;** **SB 76 (O’Connell), SB 154 (Haynes), and SB 640 (Knight): “Sales and Use Tax Exemption: Space Flight”;** **SB 921 (Knight): “Space Industry Development”;** AB 1001 would establish a “California Spaceport Development Zone Act of 2001”, which would authorize the Technology, Trade & Commerce Agency to establish five spaceport zones, comparable to enterprise zones, including tax incentives for economic development primarily engaged in launch related activities. The spaceport zone would be in existence 40 years, and include a financing district. SB 76, SB 154, and SB 640 generally provide for exemptions from the sales tax for property sold for use in space flight. SB 76 would expand the exemption to include property used in spaceport operations. SB 154 and SB 640 would allow material that is not intended to be launched into space to be exempt from the sales tax. SB 921 would establish a space industry development program in the Technology, Trade & Commerce Agency. AB 1001’s hearing in the Assembly Committee on Revenue and Taxation was postponed. SB 76 is scheduled for further hearing in the Senate Committee on Revenue and Taxation. SB 154 is pending in the Senate Committee on Revenue and Taxation. *SB 640 is scheduled for hearing in the Senate Committee on Revenue and Taxation on January 9, 2002.* SB 921 has not yet been assigned to a policy committee in the Senate.
4. **AB 1436 (Correa) and SB 703 (Perata and Bates): “Military Base Reuse: Orange County”:** AB 1436 would prohibit the annexation of any inhabited property on El Toro to any city, until El Toro has been transferred to the local redevelopment authority recognized pursuant to California statute. SB 703 would establish a new reuse entity for El Toro, contingent on voter approval of “The Orange County Central Park and Nature Preserve Initiative” on March 5, 2002. Composition of the reuse entity and certain planning activities are established in SB 703. *AB 1436 is pending on the Senate Floor.* SB 703 is pending in the Senate Committee on Local Government.
5. **ACR 119 and ACR 120 (Runner): “Aerospace Highway” and “Aerospace Valley Monument”:** These resolutions would dedicate a portion of State Highway 14 near Edwards Air Force Base as the “Aerospace Highway,” and establish a monument and plaque in that area, in recognition of the major accomplishments of aviators in the region. *ACR 119 and ACR 120 are pending in the Assembly Committee on Transportation.*

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6. **AJR 31 (Thomson): “Terrorism Funding”:** *This resolution would request Congress and the President to enact legislation to provide funds to state and local governments for increased security measures since September 11, 2001. AJR 31 has not yet been assigned to a policy committee in the Assembly.*
7. **SB 13 (McClintock): “Sales and Use Tax: Rate Reduction”:** Existing law provided for a reduction of $\frac{1}{4}$ % in the sales tax under certain positive economic conditions. This reduction took place on January 1, 2001 for one year; this bill would make the reduction permanent. The bill failed to pass the Senate Committee on Revenue and Taxation in 2001, but it was granted reconsideration. The bill’s subsequent hearing was canceled at the request of the author.
8. **SB 656 (Knight): “Military Base Retention”:** SB 656 would establish the Military Base Retention Authority Act, to include single reuse authorities for retention planning for military bases. A list of military bases in SB 656 include several existing aviation facilities, but does not contain any that are proposed for closure or realignment. SB 656 is pending in the Senate Committee on Local Government.
9. **SB 822 (Poochigian): “County Sheriffs: Search and Rescue”:** The sheriff of each county has search and rescue responsibilities. This bill would specifically include searching for persons in missing or downed aircraft. The sheriff may transfer this responsibility to another agency or jurisdiction through a written agreement. Any expense incurred in the activity would be considered a proper county charge. This bill was scheduled for hearing in the Senate Committee on Local Government, but the hearing was canceled at the request of the author.
10. **SB 865 (Polanco): “California-Mexico Border Infrastructure Financing Authority”:** Population growth along the California and Mexico border will lead to “escalating infrastructure deficits” by 2020, including airports. This bill would create the above authority, which would be required to issue revenue bonds for construction of infrastructure. Projects would be revenue-generating, such as air cargo facilities. *The bill is pending in the Assembly Committee on Appropriations.*
11. **SB 869 (Karnette): Department of Transportation: Airport Assessment Study”:** Under existing law, Caltrans is responsible for developing a California Aviation System Plan. This bill would require Caltrans to conduct a needs assessment study on airports, including an airport inventory, capacity of airports for air traffic, projected growth of the airports, planned airport expansions, and infrastructure evaluation. SB 869 was scheduled for hearing in the Senate Committee on Transportation, but it was canceled at the request of the author.
12. **SB 1053 (Knight): “Centennial of Flight Program”:** Under existing law, the California Department of Education (CDE) is required to assist school districts in developing an aviation education program. SB 1053 would emphasize, in that aviation education program, materials to commemorate the 100th anniversary of the Wright Brothers’ first flight. CDE would be encouraged to use resources from the National Aeronautics and Space Administration and the U.S. Centennial of Flight Commission. School districts are encouraged to integrate aviation into mathematics, science, social studies, and vocational training, and to work with NASA centers in California. SB 1053’s 2001 hearing in the Assembly Committee on Appropriations was postponed.

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13. **SB 1243 (Torlakson): “Metropolitan Transportation Commission (MTC): ABAG”:** *This bill would study the feasibility of merging the functions of the MTC and the Association of Bay Area Governments into a new regional commission, and would require the MTC to report to the Legislature by January 1, 2004. SB 1243 has not yet been assigned to a policy committee in the Senate.*
14. **SJR 17 (Vincent): “Federal Interstate Highways: International Airports: Schools”:** SJR 17 stated that airports and freeways have a “significant detrimental impact on adjacent schools”; the resolution suggests that billboard revenue could offset the detrimental impacts. The resolution urges Congress and the President to establish a “Federal Transportation Impact Assistance Program” for schools located within two miles of an international airport, or adjacent to federal-aid highways. The resolution passed the Senate and is pending in the Assembly Committee on Transportation.
15. **SJR 24 (Knight): Military Base Closures”:** The author states that additional military bases will close in 2003 and 2005. This resolution would advocate the continued existence of military bases in California through the next round of base closures. The resolution has not yet been assigned to a policy committee.